

Atlas General File 037/051 #3

~~File net/037/021~~  
Copy to PAM  
and Lowell

**Atlas Minerals**  
Division of Atlas Corporation

743 Horizon Court  
Suite 105  
Grand Junction, Colorado 81501  
Telephone: (303) 241-2505

**RECEIVED**

**DEC 19 1985**

December 17, 1985 **DIVISION OF OIL  
GAS & MINING**

Pamela Grubaugh-Littig  
Reclamation Engineer  
Division of Oil, Gas & Mining  
355 W. North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

RE: Permit Transfer of Wood Lease Mine  
ACT/037/021, San Juan County, Utah

Dear Ms. Grubaugh-Littig:

I am in receipt of a copy of your December 10, 1985 transmittal to Mr. Al Dearth concerning the permit transfer for the Wood Lease Mine.

Since the mine permit and associated reclamation obligations have been formally and legally transferred to Mr. Dearth, Atlas hereby requests that the Division adjust the amount of our Mined Land Reclamation Contract accordingly. Specifically, the \$24,178 amount specified in your letter of March 28, 1983 should be deleted and the total amount adjusted accordingly.


Also, we are concerned that the existing reclamation estimates and the 10% inflation factor used in our contract are excessively high. We will be reviewing our reclamation estimates on a mine-by-mine basis in 1986 as time allows. As we have only a small standby crew, this will likely take several months.

As to the matter of the inflation factor, we believe that 10% per year over the past few years is unnecessarily high especially when compared to the relatively small annual rates of inflation.

We would appreciate your thoughts on reviewing the mine estimates and the inflation factor used for estimating future costs. We would be willing to discuss these concerns with you at your convenience. Please contact me at (303) 241-2505 or at the above address.

Thank you for your consideration and cooperation in this matter.

Sincerely,



Richard E. Blubaugh  
Regulatory Affairs Manager

cc: D. R. Jagoe  
C. Dixon

REB/jl